AUTOMOTIVE

Chemical Sales

Items	1963	1979	1990	% Annual Growth Historic	Projected
Total Sales (millions)	$749.9	$2,895.9	$6,640	8.8	7.8
Motor Oil	237.1	775.0	1,270	7.7	4.6
Grease & Fluid	53.5	236.9	495	9.7	6.9
Oil Additives	19.2	134.6	420	12.9	10.9
Fuel Additives	10.9	77.6	230	13.1	10.4
Transmission Additives	1.6	11.9	45	13.4	12.9
Antifreeze	116.7	508.4	1,155	9.6	7.7
Radiator Additives	24.5	34.1	60	2.1	5.3
Aerosol Products	16.2	109.3	350	12.7	11.2
Bulk Chemicals	86.4	305.3	880	8.2	10.1
Paint/Dyes	113.0	387.3	905	8.0	8.0
Rustproofing	13.9	65.3	100	10.2	4.0
Auto Body Filler	9.0	35.1	110	8.9	10.9
Adhesives/ Sealants	14.8	75.3	270	10.7	12.3
Waxes/Cleaners	27.6	85.1	200	7.3	8.1
Vinyl Top Chem/ Car Washes	5.5	54.7	150	15.4	9.6
By Market					
DIY	234.1	1,292.6	3,520	11.3	9.5
Professional	515.8	1,603.3	3,120	7.3	6.2
% DIY	31.2	44.6	53.0	—	—

Source: Predicasts Inc.

DIY Projected to Keep Boosting Share of Aftermarket

DIY Auto Product Shift

	1980 mil $	1980 %	1985 mil $	1985 %	1995 mil $	1995 %
DIY Electrical Parts	920	17.0	1,560	17.2	3,320	17.8
DIY Nonelectrical Parts	1,390	25.7	2,565	28.2	6,175	33.2
DIY Chemicals	1,449	26.8	2,460	27.0	4,830	26.0
DIY Accessories	1,654	30.6	2,510	27.6	4,290	23.0
DIY TOTAL	5,413	100.0	9,095	100.0	18,615	100.0

*Source: Predicasts Inc.

Discounters' Biz Breakout

Item	Per cent Of Sales*
Tires	20.0
Parts (major products)	27.0
Chemicals (major products)	28.0
Accessories (major products)	20.0
Miscellaneous	5.0
Total	100.0

*Includes all auto product sales—DIY and professional. Source: Predicasts Inc.

A growing auto population, rising consumer affluence and inflation are all factors seen as responsible for a growth in the value of DIY auto aftermarket shipments by manufacturers—from $1 billion in 1967 to over $5.4 billion in 1980, according to a survey by Predicasts.

The study reports that in the early 1970's the DIY market enjoyed a faster growth than the total aftermarket. Economical concerns and improved consumer distribution and marketing techniques have contributed to the surge in the DIY auto category.

By 1995 DIY shipments are expected to approach $19 billion. The DIY market should approach 44% of the total aftermarket by 1995—up 9% from the current figure.

In the automotive category, product emphasis in the do-it-yourself area is expected to shift during the 1980's. According to a report by Predicasts, accessory products are expected to decline in market share while the nonelectrical category is projected to record major gains.

Chemicals and electrical parts will remain relatively stable.

Market share in the total DIY area should continue to increase—gaining ground on professional aftermarket sales. DIY shipments will hit 44% in 1995, up from 35% in 1980. Although the boost increase is significant, it falls short of the 40% increase the shipments have historically recorded.

Automotive chemical sales in the aftermarket grew from $750 million ($11 per car) in 1963 to $2.9 billion ($24 per car) in 1979.

Figures Analyzed

Predicasts forecasts that the annual rate will taper off in the 1980's to 8%—at $6.6 billion($43 per car). The increased average age of cars, upgraded products and continued DIY growth will all favorably affect the chemical aftermarket.

By 1990, Predicasts reports, sales of oil, grease and fluid will reach $1.8 billion. Antifreeze will experience more moderate sales increases—8% annually through 1990.

The grouping expected to show the largest increase—auto paints, coatings, sealants and adhesives—will increase from $563 million in 1979 to $1.4 billion in 1990. Other auto appearance chemicals, including waxes and car washes, are projected to reach $350 million by 1990.

The DIY segment of automotive chemicals will continue to grow in the 1980's. Dominant DIY products will include motor oil and antifreeze.

The increased activity in the DIY market, according to Predicasts, will lead to continued changes in the retail sector. Drug stores, supermarkets and hardware outlets are selling motor oil and waxes—getting turns of nine to 11 per year and margins of 15% to 20%. These outlets are expected to skim key item sales from discounters.

Discounters are the most diversified of all volume aftermarket retailers in terms of auto mix.

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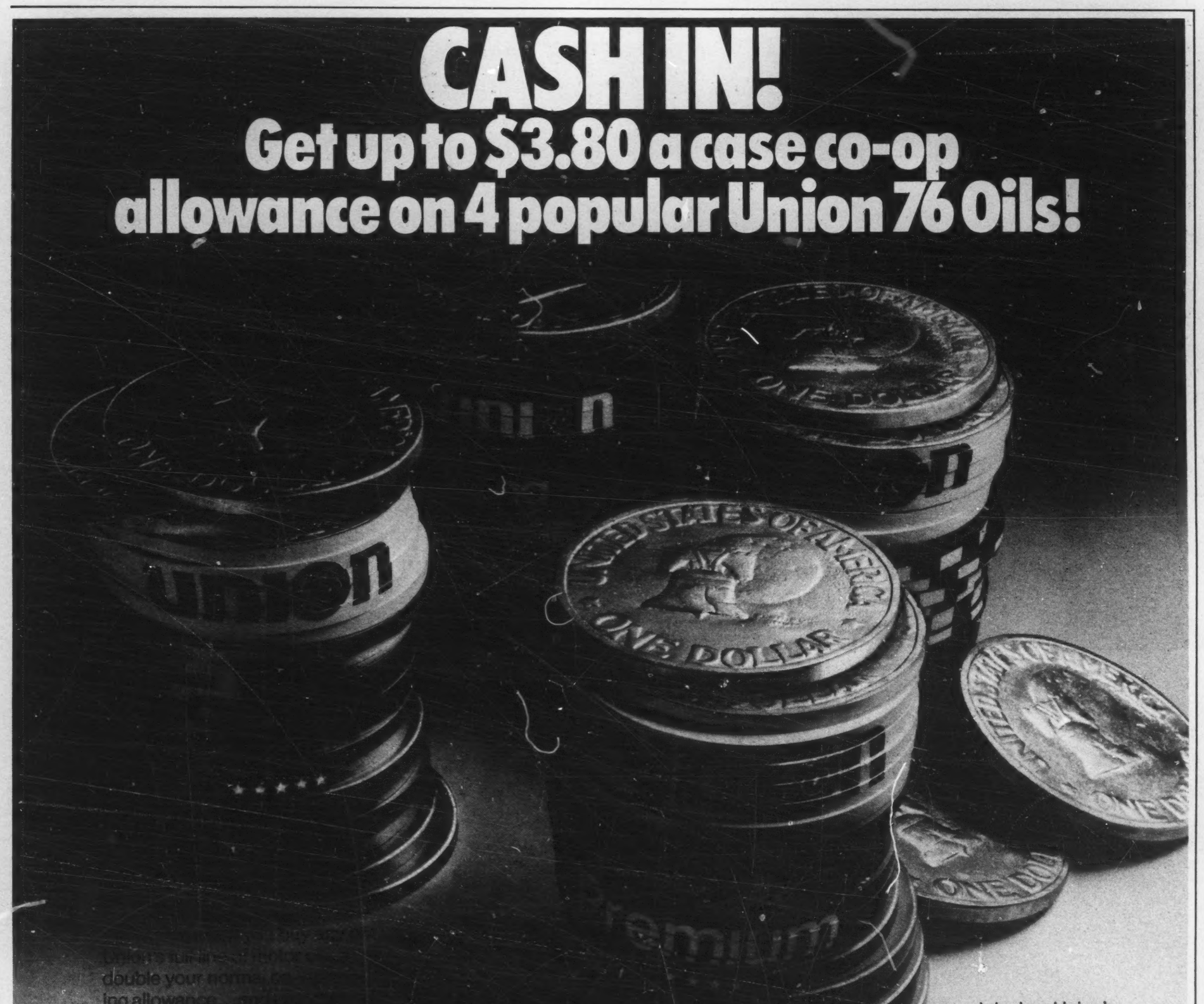

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Purple, and $1.00 a
Union's line.

But that's just the begin

If you include Union 76 in your
advertising (in addition to print), we'll increase
your allowance on each case by 40¢.

And if you buy a product you haven't purchased in the past year, we'll increase your allowance another 40¢ on each case of *that* particular product.

Union ATF Special Offer Continues.
In addition, you can still take advantage of a good deal on Union's two ATF products in plastic quarts. You get one case free with every 12, on carload purchases of Union's motor oils. But hurry! All offers end December 31, 1982.

Contact the Aftermarket Specialist nearest you.

Gene Mahon, Phoenix, AZ, (602) 254-7381
Jack Steinberg, San Francisco, CA, (415) 235-7600
W.M. Tastula, Seattle, WA, (206) 223-7613
D.A. Campbell, Los Angeles, CA, (213) 860-6531
D.L. Parnell, Portland, OR, (503) 223-1517

union 76

AUTOMOTIVE

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	0245 DuPont Rain Dance PST 14 oz	88,850	6.99	621,061.50
2	10080 Armor All protector 8 oz	194,328	2.99	581,040.72
3	2-ton Hydraulic floor jack	7,623	69.99	533,533.77
4	7450 Gumout jet spray 13 oz	221,624	2.39	529,681.36
5	1015-24 STP oil treatment 15 oz	215,207	2.29	492,824.03
6	FL1A Motorcraft oil filter	113,877	3.99	454,369.23
7	0241 DuPont Rain Dance liq 16 oz	61,940	6.99	432,960.60
8	10160 Armor All protector 16 oz	66,149	6.29	416,077.21
9	T16 Turtle minute wax 18 oz	65,983	5.99	395,238.17
10	3431 Snowhite Lite 'n' Easy gal	27,163	13.99	380,010.37
11	7518 Gumout carb clean 12 oz	196,818	1.89	371,986.02
12	6014 Sealed beam, large round	94,730	3.29	205,564.10
13	T-222 Sup HD shell pst-kit	69,815	3.99	278,561.85
14	100 QR Rislone oil allo	93,779	2.79	185,682.42
15	PF-25 A.C. oil filter	64,377	3.99	256,064.23
16	RR16 Roberk wiper bld refill	115,538	2.19	253,028.22
17	S257 Fix a Flat Tire infl 16 oz	180,430	1.39	250,797.70
18	M8-14 Freon 14 oz	135,483	1.79	242,514.57
19	AS981 Simoniz super poly pst	28,073	8.49	328,339.77
20	WD-40 Aerosol 9 oz	91, 388	2.59	236,694.92
21	EB-1 Gunk aerosol	114,203	1.99	227,263.97
22	13040 Armor All protector 4 oz	131,494	1.69	222,224.86
23	AS982 Simoniz super poly, liq	26,011	8.49	220,833.39
24	6052 Sealed beam, large square	26,785	7.99	144,371.15
25	C-16 Bars leak 12 oz	107,307	1.99	213,540.93
26	500 Westley's bleach white 20 oz	105,713	1.99	210,368.87
27	4111-12CD-2 Black lo 15 oz	87,311	2.39	208,673.29
28	058ON DUP Rally poly liq 16 oz	27,620	7.49	206,873.80
29	DuPont Rally poly pst 14 oz	27,490	7.49	205,900.10
30	T-75 Turtle zip liq c/wash 18 oz	85,346	2.39	203,976.94
31	TP51 TMP sandable prim gray	100,851	1.99	200,693.49
32	T270 Turtle color back 16 oz	38,428	4.99	191,755.72
33	0271N Rain Dance Weather Guard 16 oz	16,391	11.49	188,332.59
34	Warco dot brake fluid qt	47,677	3.89	185,463.53
35	LF-1 Lee oil filter	52,828	3.39	179,086.92
36	Warco dot break fluid 12 oz	118,971	1.49	177,266.79
37	4101-12CD-2 Red hi 15 oz	73,001	2.39	174,472.39
38	1157 Auto bulbs 2 on a card	175,797	0.99	174,039.03
39	R-6 Bars leak 5½ oz	115,970	1.49	172,795.30
40	RR18 Roberk wiper bld rfll	78,695	2.19	172,342.05
41	10320 Armor All protector 32 oz	19,043	8.99	171,196.57
42	4652 Sealed beam, low square	34,178	4.99	170,548.22
43	43750 Trailer harness kit	21,278	7.99	170,011.22
44	02662 Johnson's wx kt 12 oz	42,185	3.99	168,318.15
45	4657 Gas can flex spout 5 gal	12,571	12.99	163,297.29
46	0861N DuPont rub cmpnd 12 oz	74,352	2.19	162,830.88
47	4624 Gas can flex spout 2 gal	26,918	5.99	161,238.82
48	PSF Yale pwr strg fld 14 oz	89,040	1.79	159,381.60
49	AS400 Prestone brake fluid	79,900	1.99	159,001.00
50	T-127 Turtle wax liq 12 oz	52,916	2.99	158,218.84
51	R45TS A.C. spark plug	93,367	1.69	157,790.23
52	L-141C Complete lighter	31,558	4.99	157,474.42
53	TP52 TMP sndbl prmr red	78,646	1.99	156,505.54
54	04010 Univ. hand chk conv kt	29,197	5.29	154,452.13
55	88500M A.C. recharge kit/freon	22,103	6.89	152,289.67
56	2050 STP gas treatment 8 oz	117,034	1.29	150,973.86
57	3305 Snowlite Lite 'n' Easy kit qt	29,594	4.99	147,674.06
58	29438 8RBL15Y 4 Ch spk plug	11,725	12.59	147,617.75
59	171 P12 Casite tune-up 15 oz	47,696	2.99	142,611.04
60	30160 Armor All cleaner 16 oz	63,691	2.19	139,483.29
61	DR1976 GM 6 cylinder dist cap	25,399	5.49	139,440.51
62	902 Simoniz presoft 9 oz	39,622	3.49	138,280.78
63	AS107 Prestone spr flsh pk of 12	41,364	3.29	136,087.56
64	162 P12 Casite Mtr honey 14 oz	44,931	2.99	134,343.69
65	161 1-piece Auto pram pair	6,091	21.99	133,941.09
66	GEC421 GE silicone sealer, clr	40,153	3.29	132,103.37
67	LF-25 Lee oil filter	35,514	3.69	131,046.66
68	TAM77 TMP rubberized undercoat	43,248	2.99	129,311.52
69	0761 DuPont wht pol comp 12 oz	58,647	2.19	128,436.93
70	S615 Snap aerosol undercoat 16 oz	64,065	1.99	127,489.35
71	RWB16 Roberk wiper blades 16 in	57,165	2.19	125,191.35
72	101-2 Delco 8-cylinder tuneup kt	14,769	7.99	118,004.31
73	0513 Rally cream wax 10 oz	29,403	3.99	117,317.97
74	PH8A Fram oil filter	25,969	4.49	116,600.81
75	54W03 GE glass sealer	34,763	3,29	114,370.27
76	1614 DuPont car wash 8 oz	45,772	2.49	113,972.28
77	29754 8/RN12Y Chm spark plug	8,857	12.79	113,281.03
78	TP50 TMP sandable prmr blck	56,774	1.99	112,980.26
79	T560TUR Ply/Shl 1-stp liq 16 oz	11,305	9.99	112,936.95

(Continued on page 42)

Top Movers Are Waxes, Chemicals

The results of the last few months showed waxes and chemicals continuing as the strongest performers on the Product Movement Audit.

The PMA, supplied by Allied Accessories and Auto Parts Co., Michigan Heights, Mich., indicated more people were trying to save money during the quarter ended Sept. 30, 1982, by doing simple maintenance chores and repair work themselves.

Oil filters and gas additives once again were near the top of the chart, as more people took care of routine auto maintenance duties. With weather forecasters predicting a severe winter, more motorists are beginning to prepare their cars for the coming cold months.

Adding It Up

While looking ahead, during the months of July, August and September people also spent money beautifying the exterior of their cars. Waxes were three of the top 10 dollar producer, with DuPont Rain Dance Paste topping the list as the No. 1 mover; 88,850 units were sold at an average retail of $6.99.

Armor All Protector appeared twice in the top 10, in its 8-oz. and 16-oz. sizes. The 8 oz. was No. 2 and the 16 oz. No. 8 on the list—giving appearance accessories half of the top 10 items.

In oil filters Motorcraft topped the list, followed by regulars A.C., Lee and Lee Maxi. A two-ton hydraulic floor jack took its customary place near the top of the chart, in the No. 3 spot. The jack was a product that benefited directly from consumer demand for DIY

(Continued on page 42)

All Charged Up

Charge! That's the message sent by Heck's, Charleston, W. Va., as it offers customers battery chargers. The chain displays boxes on top of the gondola run and cards related items on a pegboard. *(DSN photo)*

When you're not stocking Bondo,® you're out of the fast moving, highly profitable auto body repair market. Nobody covers you like Bondo, because nobody else provides a complete line of products, merchandising, packaging and promotion. Bondo has over 100 products for auto, boat and truck repair and maintenance. An attractive co-op plan, easy-to-use advertising aids kit, and point-of-purchase materials are available for instant sales success. Put the brand that the pros and DIYers have made No. 1 in sales to work for you...now! Call toll free 1-800/241-3386, or write.

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AUTOMOTIVE

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	(Continued from page 40)			
80	R45TS-8B A.C. Spark plug B/P	8,919	12.59	112,290.21
81	29353 8/rbl 15Y Ch Spark plug	8,885	12.59	111,862.15
82	01-015 D&L hand cleaner 14 oz	86,428	1.29	111,492.12
83	BC812 b Cable slvd 12 ft	15,202	7.29	110,822.58
84	Plastic bttl gsln antfrz	187,001	0.59	110,330.59
85	TK175 GM8 cyclinder tune-up kit	24,543	4.49	110,198.07
86	BP28 Blue ply slnt liq 8 oz	16,630	6.59	109,591.70
87	2024 STP gas treatment 12 oz	54,538	1.99	108,530.62
88	TK237 GM combo tune-up kit	18,030	5.99	107,999.70
89	101-1 GM Uniset	10,644	9.99	106,333.56
90	012 Marvel mystery oil 16 oz	48,224	2.19	105,610.56
91	555 West bleach white liq 32 oz	34,764	2.99	103,944.36
92	21030 H.D. Toggle switch	37,141	2.79	103,623.39
93	8P38 Blue poly pst slnt 8 oz	15,661	6.59	103,205.99
94	LF-16 Lee oil filter	29,977	3.39	101,622.03
95	T-4163 Thrush muffler	5,585	17.99	100,474.15
96	LF-1HP Lee maxi oil filter	22,782	4.29	97,734.78
97	PF-47 A.C. oil filters	24,457	3.99	97,583.43
98	WWC82 Espree wr whl kit	19,379	4.99	96,701.21
99	4000 Sealed beam, low round	34,439	2.79	96,084.81
100	V-225 Chamois 2¼ sq ft	15,927	5.99	95,402.73

Source: Allied Accessories and Auto Parts Co., Madison Heights, Mich., for July 30-Sept. 30, 1982.

Lucky's Biz Up, Earnings Down

DUBLIN, Calif.—Lucky Stores reported a sales gain of 14% for the second quarter ended Aug. 1, 1982.

Earnings for the period slipped 19%.

Sales reached $1.9 billion compared to $1.7 billion for the second quarter last year. Earnings for the quarter were $14.8 million vs. $18.4 million.

First-half sales of $3.7 billion reflected a jump of 11% over the 1981 figures. Earnings for the half fell 19% to $3.7 million.

Lucky chairman S. Donley Ritchie cited strong sales at food and department stores

A six-sku selection of head protection is endcapped at Wal-Mart, Rogers, Ark. The five-shelf display is located just off one of the store's "power alleys." *(DSN photo)*

Top Movers

(Continued from page 40)

products—with a heavy promotional effort from discount chains boosting sales.

As the average age of automobiles increases, replacement parts are appearing more frequently in the top 25. Sealed beams, both round and square, gained ground—priced, respectively, at $2.72 and $5.39, and ranking 12th and 24th. A wiper blade refill placed 16th, with total unit movement at 115,538. A tire inflator placed 17th, priced at $1.39.

Seasonal items which are proving very popular with motorists are such goods as sandable primers and rubberized undercoatings. Discounters report that body repair merchandise is getting more shelf space as customers spruce up their cars themselves, rather than taking them to shops.

Tune-up equipment showed up in the top 100 with consistent performers Delco eight-cylinder tune-up kit and GM's eight-cylinder tune-up kit and combo kit.

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Long Nose Locking Pliers.
Now there are two.

VISE-GRIP® 6LN* Introduced July, 1980

Long nose jaws built to reach into tight spots for delicate work or heavier work. Plus built-in wire cutter.

Quality materials for toughness and durability. Designed for years of trouble-free service.

Famous VISE-GRIP® locking action. Built to hold on tight.

Easy release trigger and micro-adjustment screw with adjusting pliers action for proper locking pressure.

(Shown Actual Size)

NEW VISE-GRIP® 9LN* Introduced 1982

Longer and even stronger jaws with more muscle for heavy-duty jobs. Plus built-in wire cutter.

Same VISE-GRIP® quality materials.

Even more power for those heavy-duty jobs.

(Shown Actual Size)

Same easy release trigger and micro-adjustment screw.

They do more jobs, faster and easier, than any other long nose pliers.

VISE-GRIP®

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*U.S. patent D261,096
Other U.S. and foreign patents issued and pending

FTC Cancels Ad Probe

WASHINGTON—The Federal Trade Commission has closed the books on an investigation of alleged deceptive ads for K mart's line of "maintenance free" automobile batteries.

Similar FTC investigations involving car battery ad claims by Sears, Penney and General Motors were also terminated by the agency's Bureau of Consumer Protection.

The Reason Why

Although Commission officials refused to discuss the specific claims under scrutiny, FTC enforcers confirmed that the probe involved suspected failures by all four firms "to have adequate substantiation for express or implied claims in advertising for maintenance-free batteries."

The investigation was conducted directly by FTC's Washington office.

Prange Way

(Continued from page 34)

To beautify the car, Prange Way sold Turtle Minute Wax for $3.99, regularly $5.29; auto spray paint for $1.99 ($2.99), and a $17.99 Black & Decker auto vacuum for $2 off regular price.

Other car dress-up accessories included seat covers—with plaid models selling for $12.99 ($15.99) and 20%-off simulated sheepskin covers for $7.99. The price of Rubber Queen's floor mats was reduced by $5, to $11.99.

Prange Way also cut the price on safety items with $5 off a $19.99 pocket air compressor, $10 off a $26.99 fog light kit and $3 off a $12.99 windshield-wiper delay kit, with blades and refills also on sale.

Stressing the DIY assembly and installation ease, a Genie automatic garage door opener system was promoted at $169.99 ($189.99). The digital control transmitter sold for $24.99.

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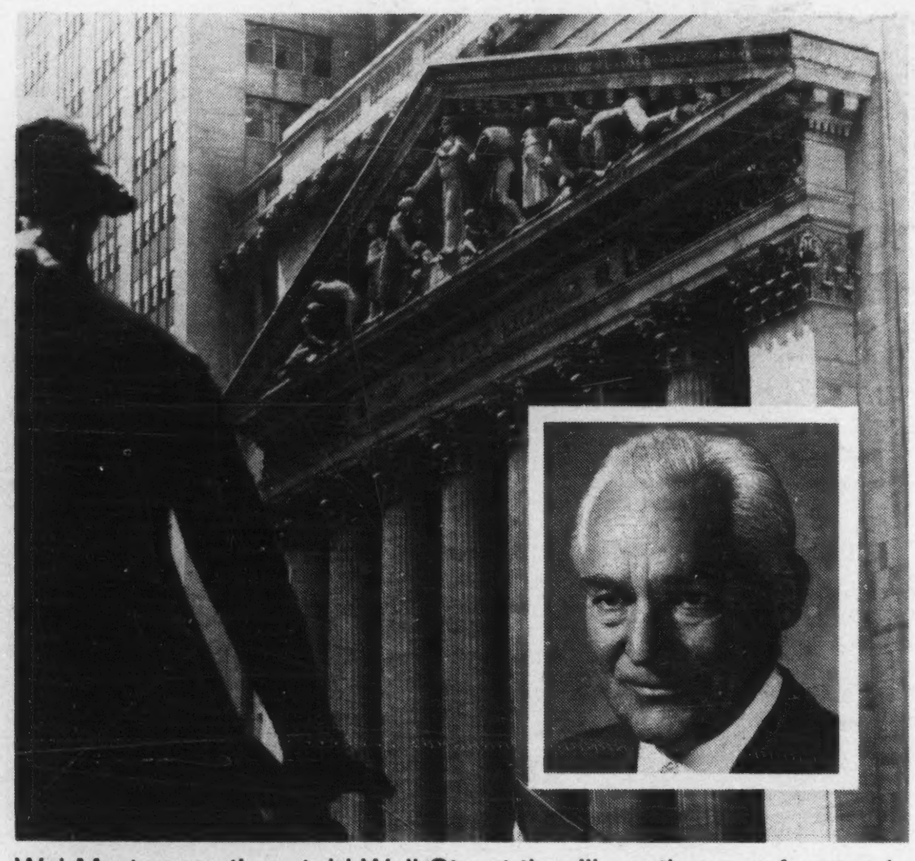
PHOTO OUTLOOK: P. 2

Catalog Showroom News: P. 26

Discount Store News®

THE NEWSPAPER OF THE DISCOUNT DEPARTMENT STORE INDUSTRY

VOL. 21, NO. 23 | Published Biweekly, Every Other Monday, Monthly in December, by Lebhar-Friedman Inc. | $2 per copy | NOVEMBER 15, 1982



Wal-Mart executives told Wall Street they'll continue on fast track. Said chief Sam Walton, "We think in the next five years, we can grow conservatively and profitably at a rate of 25% to $10 billion."

Wal-Mart Projects $10B Biz by 1987

NEW YORK—Wal-Mart is more ambitious than ever.

Sam Walton, chairman and ceo, predicted that his chain would double its 549-unit base and almost triple 1982's expected $3.5 billion volume by 1987.

In a meeting here last month with the New York Society of Security Analysts, Wal-Mart executives revealed a game plan that includes diversification of operations.

On tap, Walton said, is the creation of a few units in the mode of no-frill warehouse operations such as the Price Club. The units will sell to individuals as well as wholesale goods to small retailers.

"We're going to build a wholesale store in a couple of markets," said Walton. "It's something we'd like to play

(Continued on page 38)

Discounters Swell Earnings With Aid of Expense Cuts

NEW YORK—Discounters valiantly—and successfully—battled the 1981-82 recession by cutting expenses 5.3% to help produce a 30.5% stronger bottom line.

This effort showed up as a sharp drop in total expenses, triggered by lower expenditures for such factors as payroll, store operating costs and buying and merchandising expenses. The result was that gross margins, gross income and pretax and net earnings after taxes were up.

That is the picture of the discount store industry developed in the National Mass Retailing Institute's study, *Operating Results of Self-Service Discount Department Stores, 1981-82.* The survey was conducted by Cornell University for the NMRI and tabulated results from 30 chains, operating 3,250 stores with $13 billion in sales.

The industry's strong financial performance came as the recession hit hard and triggered an 11.1% drop in average sales per store to $4,035,000 from $4,538,000.

Despite the decline of more than $500,000 in volume per store, discounters were able to fine-tune their merchandising and actually increased average sales per square foot of selling space to $108 from $104.84, a 3% gain.

The drop in average store sales wasn't the only negative development in the generally bright discount picture: Stock turns were off 1.9% to 3.14 from 3.20; cumulative markup slid 3.7% to 35.20% from 36.55%; total sales to net worth declined 11.7% to 8.39% from 9.5%; stock shortages (at retail value) jumped 8.5% to 1.53% from 1.41%; occupancy costs per square foot of selling space increased 10.3% to $6 from $5.80; field supervision costs showed a 16.2% boost to 0.43% from 0.37%, and warehouse expenses went up 5.5% to 0.96% from 0.91%.

Some of these negative statistics, however, were directly involved with discounters' improved performance during last year's recession.

Stock turns, for example, fell as discounters cut back on their total inventory investment to hold down costs, while field supervision expenses went up as chains stepped up efforts to make field operations more pro-

(Continued on page 37)

Aftertax Profits Skyrocket 30.5%

	Per Cent of Sales 1980-81	1981-82
Gross Margin	28.36	28.48
Leased Dept. Income	0.56	0.49
Gross Income	28.91	28.97
Total Expense	26.03	24.66
Net Operating Profit	2.88	4.31
Other Income (Deductions)	(0.43)	(0.94)
Earnings Before Income Taxes	2.45	3.36
Federal & State Income Taxes	1.04	1.52
Net Earnings After Taxes	1.41	1.84

(Source: NMRI's Operating Results)

Sales and earnings as a per cent of sales are detailed for 30 discounters in the annual NMRI study.

Grand Central, on Slow Track, Denies Rumors of a Takeover

SALT LAKE CITY—Once again, Grand Central is denying reports that it is about to be taken over.

An almost six-point jump in the price of its American Exchange-listed stock in recent weeks forced company officials to issue a statement that they aren't negotiating to sell the 32-unit chain.

The "no-news" statement came as the company began to reshuffle its executive suite following the departure of Gerald Hansen on Sept. 30 after only six months as executive vp and chief operating officer. No successor has been named.

In addition, the eight-member board of directors vetoed a store-opening plan outlined by Hansen in a *DSN* interview last April. The most recent store opening was in April 1981. Now, no new units are planned until at least fiscal 1984.

At presstime, company executives were expecting first-quarter fiscal '83 results "to be weak." The company closed its last fiscal year Aug. 1 with a $3 million loss.

(Continued on page 38)

Part of Off-price Apparel Trend

Chains Wet Toes in Branded Shoes

By KAREN PAXTON

K mart, Ann & Hope and Gold Circle have extended the race for recognition as a source of off-price branded goods into footwear.

Gold Circle is among chains testing shoes by Capezio, Bass, 9 West, Cobbies, Candies and Red Cross as part of an off-price branded push. Bass gets the spotlight in Cleveland Heights, Ohio.

But it is still unclear whether they have entered a 50-yard test of speed or a more challenging marathon run which would include more discount contestants. At present major chains including Caldor, Zodys and Bradlees are steering clear of fashion names.

Capezio shoes are being tested in K mart's Wayne, N.J., store where discounted apparel labels are featured. Bass, Red Cross, Capezio and other national brands are on the racks at Ann & Hope stores.

Related Move

Gold Circle, which has also added brands in apparel this year, will test nationally known fashion shoes in its stores next spring.

If it proves profitable for those chains—which are buying the branded shoes from diverters—other discounters could soon be in the market.

Encouraged by strong sales [illegible] AIM for the best Stores [illegible], T.G. & Y. merchandising vp A. W. Colli[illegible] is eager

(Continued on page 38)

Digest Nov. 15, 1982

H&BA

• **Some discount chains are adding cereals, other food and** juices to the baby-care mix in H&BA departments to boost margins. (p. 15)

HOUSEWARES

• **In its new prototype, Prange Way takes a bold step and moves** housewares to the front of the store. (p. 19)

HARDWARE

• **Chains' Christmas ordering for power and hand tools was** stimulated by manufacturers' promotions and rebates, according to the September Product Movement Audit. (p. 21)

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Best mass-displays domestics for easier customer selection. Setup along wall in Plantation, Fla., showroom, follows one of two basic planograms used for the department. *(DSN photo)*

Best Aims at $160M-$180M From Branded Domestics Push

By ARTHUR MARKOWITZ

RICHMOND—Best Products has unfolded a major effort in branded domestics—a category that could generate $160 million to $180 million in sales for the cataloger.

The chain's program involves catalog items, shown on two pages in its 1982-83 book, and not-in-catalog merchandise, along with three different planograms to fit the display and merchandising needs of its 116 showrooms.

Best has already included domestics in a two-page spread in its 36-page October flyer and plans to distribute a pre-Christmas white sale promo flyer and hold post-holiday promotions.

(Modern Merchandising, which was recently acquired by Best, is merchandising a far more limited mix in its catalog of just 14 sheet patterns from Wamsutta, available only as sets. The assortment includes six comforters along with a pillow sham and two dust ruffles in the Central Park style.)

Best is shooting to capture 2% of the domestics market, which would amount to $160 million to $180 million in volume, by gearing its merchandising to compete with conventional department stores, rather than Sears, Penney and Montgomery Ward, whose private label efforts account for 31% of the market, according to a Best source.

The cataloger features Wamsutta and J. P. Stevens sheet sets, Cannon and J. P. Stevens towels, Cannon and Lady Pep-

(Continued on page 35)

Woolworth Regroups; Dismissals Snowball

NEW YORK—The F. W. Woolworth Co., two months away from shutting the doors of Woolco, has headed down the road to regrouping.

At presstime, several hundred employees—including top Woolco merchandising personnel, the buying staff (which had been created only weeks before the shuttering announcement from the single staff that serviced both Woolworth and the discount operation) and support personnel in buying and advertising—had been let go and reorganization was under way at the regional management level.

Key Woolco merchandise personnel leaving the chain included Robert Butler, divisional vp, merchandising, who resigned and Sylvester A. Tuohy, divisional vp, merchandising, taking early retirement. Frank W. Chapman, divisional vp, merchandising, has been named divisional merchandise manager for the Woolworth stores.

Personnel Change

Jack McNutt, former No. 2 executive on the Woolco side of the business, has been named senior vp of stores for Woolworth, sharing equal footing with Ed Carter, who had been his counterpart at Woolworth. Carter's title is now senior vp of operations.

Named senior vp and gmm were two newcomers to Woolworth, Frank Newman, formerly vp and gmm of hard lines at Zodys, and Herb Kaltbaum, a soft lines merchandiser.

Bob Runyon, senior vp for human resources, said 100 buyers had been affected. In addition, 60-70 support personnel in buying and advertising offices and about 100 MIS people in data processing centers in New York, Columbus, Ohio and Milwaukee have already been terminated. This month, another 350 support people in three distribution centers will be let go.

At the regional level, the reorganization left six regional vice presidents. With the decision to cast Woolworth and Woolco into separate operating divisions, Woolworth management had created 10 regional vp posts—four supervising Woolco field operations, and six for the Woolworth variety stores.

Woolworth has retained a New York outplacement firm, Drake Beam and Morin, to assist terminated personnel, which the company said it expects to eventually number more than 25,000. One inside source, however, said the total number of firings would more likely reach 40,000.

According to Runyon, 10 to

(Continued on page 38)

Edward F. Gibbons

Gibbons Is Dead at 63

NEW YORK—Edward F. Gibbons, 63, chairman and ceo of the F. W. Woolworth Co. died last month after a brief illness. *(See editorial, p. 6.)*

Gibbons became ill late in September, shortly after he guided the company through one of its toughest management decisions: to close its 20-year-old, 326-unit Woolco discount division.

Gibbons came to Woolworth in 1973 as vice president of finance. He was made executive vp, finance and corporate planning, and elected to the board of directors in 1974. A year later he was elevated to the company presidency. That same year he briefly resigned because of illness.

Gibbons rejoined the company in late 1975 as president and director, then was elevated to chief executive officer in 1977, adding the title of chairman in 1978.

Bait/Switch Scheme by Lessee Charged

Zodys 'Unaware' of Illegal Sales Ploy

LOS ANGELES—Zodys denied knowledge of a purported bait-and-switch scheme which, it was charged, was allegedly run by the chain's leased major appliance department.

The allegation was made by the Los Angeles County District Attorney's office following a three-month investigation at the chain's 42 California stores.

Zodys is "totally unaware" of any such illegal sales tactics being investigated by law enforcement officials, said Edward Solomon, chief executive for Zodys' parent HRT Industries.

The probe centers on the leased department operated by Virginia-based Wards Co., not connected with Montgomery Ward.

Solomon said Zodys has been assured by Wards' chairman Alan Wurtzel that Wards is "cooperating fully with the district attorney's office." Both Wards and Zodys are conducting separate internal investigations, Solomon added.

The investigation became public after district attorney investigators obtained search warrants at Zodys stores in Redondo Beach and Inglewood, Calif.

Deputy District Attorney John Lynch told *DSN* that possible criminal or civil court actions were pending.

The case is based on undercover agents shopping 100 times for home appliances at Zodys stores, and purportedly being confronted with bait-and-switch practices 74 times, Lynch said. The intent was to switch customers to higher profit-margin merchandise, Lynch asserted.

Shrinkage: Discounters Push Prevention Harder, Prosecution Less

NEW YORK—Discount stores are putting more of their antishrinkage efforts—and dollars—into prevention and less into prosecution.

Last year, discount stores spent $222 million on security, exclusive of the cost of prosecution. This figure was a $40 million (22%) jump from the $182 million expenditure in 1980. Security costs, as a percentage of sales, went to 0.44% from 0.39%, a 12.8% increase.

While security costs went up, a different trend was evident in prosecution. Last year discounters carried out only 128,000 prosecutions, down 11.4% from the 140,000 in 1980.

This drop came about despite a 6.7% jump in apprehensions to 270,000 from 253,000. The lower number of prosecutions resulted in a 14.3% decline in the prosecution-to-apprehensions ratic—to 47.4% from 55.3%.

This occurred as the cost of prosecutions went up $2.9 million to $7.5 million from $4.6 million due to inflation and other cost factors.

Those were some of the findings reported in the fourth annual *Security and Shrinkage* study conducted by Arthur Young & Co. for the National Mass Retailing Institute.

Eighty-six discounters were among the 198 retailers that participated in the expanded 1981 study due to be released next month. Last year's study, which covered 1980, involved 79 discounters and 127 retailers overall.

Discounters' overall shrinkage loss amounted to $957 million, up $71 million or 8% from the $886 million shown in last year's report.

Shrinkage as a percentage of sales remained constant at 1.9% in both years due to the greater sales ($50.4 billion) and larger number of discounters participating in the latest survey.

The trend away from prosecution to prevention was due to two factors, discounters reported:

(Continued on page 35)

Shrinkage/Security Costs Compared

	Shrinkage Costs		Security Costs		Shrinkage Causes: Employee Theft		Shoplifting		Poor Paperwork	
	$ (millions)	%	$ (millions)	%	$ (millions)	%	$ (millions)	%	$ (millions)	%
Discount Stores	$957	1.9	$222	0.44	$507	53	$287	30	$345	17
Dept. Stores	628	2.3	147	0.54	283	45	195	31	150	24
Specialty Stores	140	2.0	37	0.53	73	52	35	25	32	23

(Source: *Security and Shrinkage*)

Shrinkage/security costs as a percentage of sales were lowest for discounters among 198 retailers surveyed. In total dollars, however, they were higher, due to the discounters' greater volume, $50.4 billion, vs. department stores' $27.3 billion and specialty stores' $7 billion.

HARDWARE

Mfrs.' Promos, Rebates Spur Chains' Orders

In preparation for the upcoming Christmas season, customers of Hardware Distributors, Secaucus, N.J., are depending on strong promotions and rebates from manufacturers in basic items in key categories.

According to Marvin Deneroff, president of Hardware Distributors, the Product Movement Audit for the month of September reflected chains' enthusiastic response to the aggressive manufacturer promotions being offered.

"People are starting to fill in their power and hand tool collections with basic fillers," he said.

The three leaders in the field—Black & Decker, Stanley and Fuller—ran tremendous promotion or coupon drives, contributing to their hot sales.

In the hand tool category, Deneroff said all items are being promoted by his vendors. Fuller Manufacturing is featuring a "One price your choice" campaign. Strong movement has been noted at the $8.99 and $9.99 price points.

Stanley is running a consumer rebate program, and to coincide with it, Deneroff's customers have built up and are planning to advertise Stanley's rebated goods. "As we move into Christmas promotion, quality tools are coming on strong—as they make excellent gift ideas," said Deneroff.

High Volume

He also pointed to Stanley's Mightyknife keychain—which placed 14th on the PMA with total dollar movement at $4,901 with an average retail of $2.19—as an item which is performing as an excellent register-tip seller in certain stores.

In power tools, Black & Decker's 7½-in. circular saw led the field, with total dollar movement at $92,854 at a $45.99 average retail price. Two Black & Decker jigsaws placed in the top 10, one priced at $21.99, and a two-speed model for $33.99.

Of the top 15 items in power tool accessories, 10 were priced under $10. A low-ticket item, Howard Hardware's ⅛-in. twist drill, placed first, with total dollar movement at $11,733 while retailing at $1.89. There was a strong stand made by items $10 and over with a 13-piece drill set by Howard for $13.99 placing second. A Rak Products strate-cut guide kit at $24.99 was No. 3.

The glue, lubricant and adhesive category has experienced expanded sku's and stepped-up promotions, which should continue for the balance of the year, according to Deneroff.

Super glues are highly promotable, with No. 1 Vail Chemical enjoying total dollar movement of $42,488 for September vs. $27,731 for the first six months of this year.

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Discount Store News

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	POWER TOOLS			
1	Black & Decker 7¼" circular saw	2,019	45.99	92,853.81
2	Black & Decker ⅜" drill vsr	1,991	33.99	67,674.09
3	Black & Decker jig saw	2,264	21.99	49,785.36
4	Black & Decker ⅜" drill	1,627	25.99	42,285.73
5	Black & Decker finishing sander	1,236	33.99	42,011.64
6	Black & Decker 2-speed jig saw	789	33.99	26,818.11
7	Black & Decker finishing sander D/A1/3	389	52.99	20,613.11
8	Black & Decker V/P 7¼" DLX cir	343	54.99	18,861.57
9	Black & Decker ½" drill D-handle	254	69.99	17,777.46
10	Black & Decker ¼" drill	618	19.99	12,353.82
11	Bench Mark 16 10" band saw	59	199.99	11,799.41
12	Black & Decker jig saw ⅓ HP V	203	43.99	8,929.97
13	Black & Decker 5" bench grinder	132	39.99	5,278.68
14	Stanley Mighty Knife key chain	2,238	2.19	4,901.22
15	Stanley mini-hacksaw	1,065	4.19	4,462.35
	POWER TOOL ACCESSORIES			
1	Howard Hardware twist drill ⅛	6,208	1.89	11,733.12
2	Howard Hardware twist drill set 13 pieces	756	13.99	10,576.44
3	Rak Products Strate-cut guide kit #35	392	24.99	9,796.08
4	Howard Hardware 13-piece twist drill	1,024	9.49	9,717.76
5	Black & Decker deluxe combo blade	1,552	5.99	9,296.48
6	Credo Manufacturing 7¼" carb circ	687	13.39	9,198.93
7	Howard Hardware 7¼" carb saw blade	648	13.49	8,741.52
8	Howard Hardware twist drill 7 piece	1,070	7.99	8,549.30
9	Great Neck 7" 1-hole saw	977	8.59	8,392.43
10	Black & Decker 3-N/blade set	670	11.99	8,033.30
11	Howard 7¼" 2 saw blades	850	7.79	6,621.50
12	Howard Hardware 7¼" combo saw blade	1,759	3.69	6,490.71
13	Black & Decker 7¼ deluxe plywood	594	9.99	5,934.06
14	Black & Decker ¾ H.P. router	37	57.99	5,045.13
15	Bench Mark ½" drill PR	54	89.99	4,859.46

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	GLUES, LUBRICANTS AND ADHESIVES			
1	Vail Chemical Super Glue 3 grams	35,704	1.19	42,487.76
2	Krazy Glue Krazy Glue 2 grams	24,600	1.59	39,114.00
3	Woodhill Super Glue 3 grams	9,097	1.49	13,554.53
4	General Electric silicone sealer clea	3,060	3.49	10,679.40
5	General Electric silicone sealer whit	2,561	3.49	8,937.89
6	Miracle 6-oz acrylic caulk	4,500	1.89	8,505.00
7	Weldit Weldit cement 1¼ oz	5,472	1.39	7,606.08
8	U.S.M. electric glue gun	631	11.99	7,565.69
9	Boyle mdwy 3-in-1 oil 3-oz can	5,016	1.49	7,473.84
10	Boyle mdwy ¼-lb can plastic wood	3,578	1.99	7,120.22
11	Rusco Co. Pliobond glue 3 oz	2,968	2.29	6,796.72
12	Darworth Polyseamseal 4 fl oz	2,604	2.19	5,702.76
13	Weldwood Contact cement qt	750	7.49	5,617.50
14	Black & Decker 7¼ plywood blade	1,276	4.29	5,474.04
15	3M Company Clean & Stripe brush	820	5.99	4,911.80
	HAND TOOLS			
1	Stanley claw hammer 16 oz	829	13.99	11,597.71
2	Fuller SAE comb wrench 6 piece	1,124	9.99	11,228.76
3	Stanley carpenter level 24"	762	11.49	8,755.38
4	Fuller adjustable angle wrench 10"	820	9.99	8,191.80
5	Fuller camper's ax #16	872	8.99	7,839.28
6	Fuller metric combo wrench set 6 piece	834	8.99	7,497.66
7	Stanley bow saw 21"	875	8.49	7,428.75
8	Stanley magnetic screwdriver set 6 piece	966	7.29	7,042.14
9	Fuller claw hammer 6 oz	757	8.49	6,426.93
10	Stanley 8-pt handsaw 26"	688	8.99	6,185.12
11	Stanley combo square 12"	748	7.99	5,976.52
12	Fuller heavy duty pipe wrench 10"	636	8.99	5,717.64
13	Stanley utility knife	1,326	4.19	5,555.94
14	Woodhill E-Pox-E glue 3 oz	2,474	2.19	5,418.06
15	Weldwood Contact Cement 3 oz	2,592	1.99	5,158.08

Source: Hardware Distributors, Secaucus, N.J. For Sept. 1-30, '82.

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